

Message Text

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ACTION SS-25

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INFO AMEMBASSY ABU DHABI
AMEMBASSY AMMAN
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AMCONSUL DHAHRAN
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY DOHA
AMEMBASSY MANAMA
AMEMBASSY MUSCAT
AMEMBASSY TEHRAN
AMEMBASSY TEL AVIV

S E C R E T SECTION 1 OF 2 CAIRO 10937

EXDIS

E.O. 11652: GDS
TAGS: PFOR, SA, EG, LE, SY, XF
SUBJECT: EGYPT--THE LIMITS OF SAUDI INFLUENCE AND ASAD

REF: JIDDA 5561

1. SUMMARY: ALTHOUGH EGYPTIAN ATTITUDES TOWARD SAUDI ARABIA HAVE CHANGED SINCE THE ADVENT OF SADAT, AND SADAT HAS MADE A CONSCIOUS EFFORT TO DEVELOP RAPPORT WITH THE SAUDI LEADERSHIP, EGYPTIANS STILL CONSIDER SAUDIS AS BACKWARD. GOE IS BEHOLDEN TO SAUDIS FOR POLITICAL, MILITARY AND PRIMARILY FINANCIAL SUPPORT, BUT CONSIDER SAG (AND OTHER OIL-RICH ARAB) STATES STINGY IN DISTRIBUTING LARGESSE. EGYPTIANS SEE THEIR SACRIFICES IN ARAB-ISRAELI CONFRONTATION, IN BEHALF OF ALL ARABS, AS ILL REQUITED, AND SADAT

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HAS RECENTLY TWICE PUBLICLY COMMENTED ABOUT INADEQUACY

OF PROPOSED \$2 BILLION ARAB FUND FOR EGYPT CAPITALIZATION. SADAT VALUES HIS RELATIONS WITH PRESENT SAUDI LEADERSHIP, BUT SOME SENIOR EGYPTIAN OFFICIALS OCCASIONALLY BLUSTER THAT SAUDI WITHHOLDING OF ADEQUATE HELP MAY YET FORCE GOE BACK TO AN ANTI-SAUDI POSTURE AS WAS THE CASE DURING THE NASSER REGIME. EGYPTIAN-SAUDI DIALOGUE IS GOOD, MAINLY THROUGH KAMAL ADHAM, BUT THERE IS LITTLE EVIDENCE THAT EITHER SIDE'S BASIC VIEWS ARE CHANGED. ON TACTICAL QUESTIONS, SADAT MAY ACCEDE TO SAUDI WISHES. ON MATTERS WHICH HE REGARDS AS VITAL TO EGYPT, E.G., PLO, LEBANON SITUATION AND SYRIA, HE LISTENS, BUT GOES HIS OWN WAY. MOST NOTICEABLE ATTITUDINAL CHANGE ON PART OF SADAT IS HIS RECENT EQUATION OF ASAD AND SYRIAN BAATH. FOR ALL PRACTICAL PURPOSES, HE HAS WRITTEN OFF ASAD AND SEEMS UNCONCERNED THAT A DEFEAT IN LEBANON MIGHT MEAN ASAD'S FALL AND BRING ABOUT A RADICAL CRESCENT. SADAT HAS GREAT TOLERANCE FOR THE ABERRATIONS OF FRIENDS AND ASSOCIATES, BUT ONCE HE CONSIDERS HIMSELF BETRAYED BY THEM, HIS RESULTANT BITTERNESS MAKES HIM INFLEXIBLE. HIS LATEST ATTITUDE TOWARD ASAD IS CASE IN POINT AND SAUDIS WILL HAVE DIFFICULTY BRINGING THE TWO TOGETHER AGAIN.

2. APPRECIATE EXCELLENT ANALYSIS OF HOW LEBANESE CRISIS HAS COMPLICATED SAUDI WORLD VIEW. SINCE THE POLICY OF MODERATION WE ARE SEEKING TO ENCOURAGE DEPENDS LARGELY UPON THE CAIRO-RIYADH AXIS, IT MAY BE USEFUL TO COMMENT BRIEFLY ON HOW THAT AXIS HAS BEEN AFFECTED BY LEBANESE CRISIS AS SEEN FROM THE CAIRO VANTAGE POINT.

3. EGYPTIAN ATTITUDES TOWARD SAUDI ARABIA: EGYPTIAN ATTITUDES TOWARD SAUDI ARABIA HAVE CHANGED SOMEWHAT SINCE THE ADVENT OF SADAT. UNLIKE HIS PREDECESSOR, SADAT HAS MADE A CONSCIOUS EFFORT TO DEVELOP AN ELEMENT OF RAPPORT WITH THE SAUDI LEADERSHIP. HE HAS, OF COURS, DONE THAT FOR A PURPOSE--POLITICAL, MILITARY AND FINANCIAL SUPPORT. THE SAUDIS HAVE FINANCED THE BULK OF EGYPT'S MILITARY PURCHASES IN THE PAST THREE YEARS AND CONTINUE TO DO SO, ALTHOUGH ON A REDUCED SCALE. THE EGYPTIAN

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ECONOMY IS PROSTRATE AND GOE IS BEHOLDEN TO THE SAUDIS FOR (A) CASH GRANTS AND LOANS AND (B) SETTING THE SCALE FOR SIMILAR FINANCIAL ASSISTANCE BY OTHER OIL-RICH GULF STATES. RELUCTANT RECOGNITION OF THIS DEPENDENCY HAS PREFORCE AFFECTED EGYPTIAN OFFICIAL AND PUBLIC ATTITUDES AND MUTED CRITICISM OF THE SAUDIS. YET MANY EGYPTIANS WILL STILL IN PRIVATE EXPRESS CONTEMPT FOR WHAT THEY REGARD AS SAUDI BACKWARDNESS. EGYPTIANS,

ALWAYS FREE WITH OTHER PEOPLE'S MONEY, WOULD LIKE SAUDIS PROVIDE LIMITLESS BANKROLLING. THERE ARE CHARGES OF SAUDI NIGGARDLINESS, ESPECIALLY AFTER THE SMALL AMOUNT OBTAINED BY SADAT ON HIS FEBRUARY VISIT TO SAUDI ARABIA. COMPLAINTS ARE VOICED THAT EGYPT HAS BORNE MOST OF THE SACRIFICES IN THE ARAB-ISRAELI CONFRONTATION, WHILE SAUDI ARABIA HAS DONE LITTLE BUT TALK. EGYPT'S SACRIFICES IN MANPOWER AND TREASURE, EGYPTIANS CONTEND, ARE BEING ILL REQUITED BY SAUDI ARABIA AND THE OTHER OIL RICH ARAB STATES.

4. SADAT IS A PROUD MAN AND FINDS IT GALLING TO HAVE TO APPEAR AS A SUPPLICANT BEFORE THE PENINSULA ARABS. IN PAST TWO WEEKS HE HAS TWICE PUBLICLY REFERRED TO INADEQUACY OF THE \$2 BILLION ARAB FUND FOR EGYPT CAPITALIZATION AND INDICATED EGYPT'S REQUIREMENTS ARE \$10 TO \$12 BILLION. WHILE WE UNDERSTAND SAUDIS ARE DISTURBED ABOUT THIS PUBLIC REFERENCE, SADAT HAS ALSO PUBLICLY STATED THAT IF THE WEALTHY ARABS (READ MAINLY THE SAUDIS) DO NOT COME UP WITH A LARGER AMOUNT, IT WILL NOT AFFECT GOE'S RELATIONSHIPS WITH THEM. DIVERGENT SAUDI AND EGYPTIAN ATTITUDES ON FINANCIAL AID ARE UNDERSTANDABLE, YET IT IS GRATIFYING THAT THIS DIFFERENCE OF VIEW ON THE EXTENT OF FINANCIAL AID HAS NOT THUS FAR BEEN ALLOWED TO BECOME A MAJOR ISSUE BETWEEN THE TWO COUNTRIES.

5. DESPITE THE EGYPTIAN PERCEPTION OF SAUDI NIGGARDLINESS, SADAT VALUES HIS RELATIONS WITH THE SAUDI LEADERSHIP AND HOPES EVENTUALLY TO BRING IT AROUND BY PERSUASION. THERE ARE, NEVERTHELESS, SENIOR GOE OFFICIALS, INCLUDING FAHMY, WHO FROM TIME TO TIME BLUSTER THAT SAUDI TIGHT-FISTEDNESS COULD AGAIN BRING ON A NASSER-TYPE GOVT WHICH WOULD ONCE AGAIN TARGET EGYPTIAN PROPAGANDA AND SUBVERSION

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AGAINST SAUDI ARABIA. THEY NOTE POINTEDLY THAT, WHILE FAISAL WAS A STRONG FIGURE AND ABLE TO RESIST NASSER'S EFFORTS, THE PRESENT SAUDI LEADERSHIP IS MORE VULNERABLE. THIS BELIEF THAT THE KHALID-FAHD LEADERSHIP HAS NOT YET GENERATED THE RESPECT THAT FAISAL ENJOYED MAY OR MAY NOT BE TRUE, BUT IT IS HELD BY MANY EGYPTIANS.

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ACTION SS-25

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AMEMBASSY KUWAIT

AMEMBASSY DOHA

AMEMBASSY MANAMA

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EXDIS

6. SUADI FINANCIAL AID TO EGYPT DOES GIVE SAG SOME INFLUENCE ON EGYPTIAN POLICY. HOWEVER, THIS INFLUENCE IS SHARPLY LIMITED AND NEITHER WE NOR THE SAUDIS SHOULD OVERESTIMATE IT. KAMAL ADHAM IS A REGULAR EMISSARY BETWEEN RIYADH AND CAIRO AND HAS READY ENTREE TO SADAT. THROUGH ADHAM, VIEWS HAVE BEEN EXCHANGED ON SYREA, THE LENABESE CRISIS AND THE PALESTINIANS. BUT, FROM ALL INDICATIONS, ADHAM HANDLES SADAT VERY GENDERLY. ON TACTICAL QUESTIONS, SADAT HAS ACCEDED TO SAUDI WISHES. THUS, FOR EXAMPLE, SAUDI (AND KUWAITI) MEDIATION EFFORTS BETWEEN EGYPT AND SYRIA HAVE GRUDGINGLY BEEN ACCEPTED HERE, BUT WITHOUT MUCH CONVICTION THAT THEY WOULD SUCCEED. WHEN IT COMES TO WHAT SADAT REGARDS AS GOE'S

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VITAL INTERESTS, SAUDI COUNSELS OF MODERATION ARE POLITELY HEARD, BUT GOE CONTINUES TO GO TIS OWN WAY. ON LIBYA AND THE SUDAN, GOE AND SAG MAY MORE OR LESS SEE

EYE TO EYE. ALTHOUGH GOE LIKES TO CLAIM FULL SAUDI SUPPORT, SADAT IS AWARE OF THE SAG'S TILT TOWARD SYRIA IN CONNECTION WITH THE LEBANESE PROBLEM. HE DOES NOT LIKE IT, BUT HAS TO LIVE WITH IT. SAUDI ADVICE HAS NOT AND WILL NOT DETER SADAT FROM ACTIVELY SUPPORTING THOSE ELEMENTS IN LEBANON, MAINLY EL FATAH, WHO ARE RESISTING THE SYRIAN/CHRISTIAN ONSLAUGHT.

7. WHILE ESSENTIALLY A MODERATE, SADAT, WHEN CONVINCED OF SOMETHING, CAN BE OBSTINATE AND INFLEXIBLE. SYRIAN ACTIVITIES IN LEBANON HAVE EXERCISED HIM GREATLY. PERHAPS THE MOST NOTICEABLE ATTITUDINAL CHANGE IN SADAT IN THE PAST SEVERAL WEEKS IS THAT HE NO LONGER SEEKS TO DRAW A DISTINCTION BETWEEN ASAD AND THE SYRIAN BAAATH. HE NOW EQUATES THE TWO AND HAS FOR ALL PRACTICAL PURPOSES WRITTEN OFF ASAD. PROFESSING TO BELIEVE THAT ASAD IS ALREADY UNDER EXTREMIST BAAATH CONTROL, HE DISMESSES SAUDI AND OTHER ASSESSMENTS THAT A DEFEAT IN LEBANON WOULD MEAN ASAD'S FALL AND BRING ABOUT A RADICAL CRESCENT. HIS BITTERNESS TOWARD ASAD, HIS ERSTWHILE FRIEND, IS EVIDENT FROM HIS CURRENT INDIFFERENCE TO THE POSSIBILITY OF ASAD'S FALL. IN THIS ATTITUDINAL CHANGE TOWARD ASAD, WE ARE WITNESSING ONE OF SADAT'S INTERESTING CHARACTER TRAITS. HE IS LOYAL--INDEED, EXCESSIVELY LOYAL--TO HIS FRIENDS AND ASSOCIATES AND IS INCLINED TO FORGIVE WHAT HE REGARDS AS ABERRATIONS SO LONG AS HE REMAINS CONVINCED OF THE BASIC INTEGRITY OF THE INDIVIDUAL. ONCE THAT CONVICTION IS SHAKEN, THE PENDULUM SWINGS SHARPLY IN THE OPPOSITE DIRECTION AND REMAINS THERE. WITH SADAT, IT IS DIFFICULT TO RECOVER FRIENDSHIP ONCE LOST. THIS IS WHAT HAS HAPPENED WITH RESPECT TO ASAD. THE SAUDIS HAVE A HEAVY TASK IF THEY HOPE TO BRING SADAT AND ASAD TOGETHER AGAIN INTO ANYTHING LIKE A COMMON FRONT.

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